



February 19, 2014

Appropriations Committee

Testimony of James Sicilian in support of funding for Legal Services

Good evening Senator Bye, Representative Walker and members of the Committee.

My name is James Sicilian and I am a partner at Day Pitney, LLP and member of the Executive Committee of the Connecticut Bar Foundation. I appear before you tonight to support the continued funding of the State's legal services organizations through the Judicial Branch Grants-In-Aid Program ("JBGIA").

The Connecticut Bar Foundation is the non-profit entity designated under Connecticut General Statute § 51-81c to administer public funds dedicated to supporting the State's legal service organizations. For years, the principal source of income that provided that funding was the interest earned on the trust accounts lawyers held for their clients ("IOLTA"). As you might imagine, the revenue earned through IOLTA is directly related to two factors: (1) the amount of the interest rate that banks are paying on trust accounts, and (2) the level of real estate activity undertaken in the State. In 2007, IOLTA revenue was approximately \$21,000,000. This past year, given the decline in real estate activity and the dramatic decline in interest rates, IOLTA income was about \$2,000,000, 10% of what it was six years ago. The downward trend has had a profound influence on the Bar Foundation's ability to fund the State's legal services organizations and, in turn, those organizations' ability to provide legal services to the State's poverty population. Make no mistake about it, the impact has been devastating.

With your support and at the urging of the Judicial Branch, the State has provided funding through JBGIA of \$1,660,000 and through the Court Fee Grants-In-Aid Program ("CFGIA"). CFGIA revenue is generated from filing fees on certain aspects of civil actions. These funding sources have saved the legal service organizations in this State although even with that funding, our income to fund legal services is still only slightly more than half of what it was in 2007. And mind you, in 2007 we were not able to fund enough lawyers to meet the demand for legal services for the State's poverty population. That demand has only increased with the recession. In recognition of that fact, the Governor has proposed S.B. 31 which will eliminate the present sunset provision in the CFGIA legislation and increase the portion of filing fees that are designated for the legal service organizations from 70% to 95%, the balance of which goes to the Judicial Branch. That bill will be heard by the Judiciary Committee in March.

Accordingly, on behalf of the Bar Foundation, I strongly urge you to continue the funding provided under JBGIA. It is, quite simply, critical to our fellow citizens who need legal representation to protect their employment rights, avoid or escape homelessness, or obtain medical and behavioral health care, to name just a few examples. I would also ask that each of you support S.B. 31 when it comes before your respective chambers for consideration.

Thank you for your time and attention.